

# Town of Wenham

Town Hall  
138 Main Street  
Wenham, MA 01984

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Selectmen / Town Administrator  
TEL 978-468-5520 FAX 978-468-8014

## MEMORANDUM

TO: Selectmen  
FROM: Peter Lombardi, Town Administrator  
CC: Lakeview Advisory Committee  
RE: Lakeview Advisory Committee Initial Findings  
DATE: February 12, 2016

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On Tuesday January 26, 2016, the Board of Selectmen appointed twelve members to the newly created Lakeview Advisory Committee with the following charge:

*The Lakeview Advisory Committee shall be comprised of no more than twelve (12) members whose initial terms shall terminate no later than June 30, 2016. The Town Administrator will be an ex officio voting member of this Committee.*

*The Committee shall endeavor to identify and conduct an initial assessment of potential municipal uses for this property including a preliminary financial and operational analysis to determine the viability and suitability of these various use options for this property. The Committee shall also gather information regarding the projected fiscal impact of the proposed development on municipal services.*

*The Committee shall present their initial findings to the Board of Selectmen no later than February 16, 2016. If the Board of Selectmen chooses to exercise the Town's option to acquire this property, this Committee shall conduct a more thorough analysis of funding sources and scenarios as well as prospective municipal uses for the property and shall present these summative findings to the Board of Selectmen prior to the Town Meeting at which this matter will be presented.*

This Committee met for the first time on Monday February 1 to discuss the various potential municipal uses for the Lakeview property that had been suggested to date. Based on this conversation, the Committee agreed that the following uses merited investigation: open space, golf course, recreational/athletic fields, farming, forestry, affordable housing or other residential development, solar, cemetery expansion, and water supply.

Each member of the Committee volunteered to focus on one or two potential uses. Working in teams of one or two, they conducted preliminary research on these uses, taking into consideration the additional projected one-time capital costs, the anticipated ongoing maintenance costs, and the projected revenues for each application. The Committee held

subsequent meetings on Wednesday and Thursday of this week to review and discuss their preliminary findings.

While the entirety of their work product is attached, I will give a brief summary of each, followed by their consensus recommendation coming out of this initial assessment process.

#### **Open Space**

- Requires minimal capital investment and ongoing maintenance costs
- Leasing opportunities could bring in minimal revenue stream
- Potential for partnerships and grant funding
- Significant aesthetic and environmental value as scenic gateway

#### **Golf Course**

- Requires either additional capital cost of approx. \$600k to purchase adjacent residential parcel or redesign of Holes 4 & 5
- Conservative projections based on multiple golf course management companies, area golf professionals, and other municipal golf course pro formas anticipate minimal (if any) revenue
- Maintenance/operations could either be outsourced or performed in-house

#### **Recreational/Athletic Fields**

- Requires approx. \$350k per field for natural grass surface
- Could potentially accommodate 3+ full-sized athletic fields
- Annual maintenance costs are projected to be \$25-30k per field
- Could help alleviate recreational field overuse issues identified by Field Space Master Plan

#### **Farming**

- Upcycling golf courses to farms has been anecdotally successful in other areas
- Leasing opportunities could bring in minimal revenue stream

#### **Forestry**

- About ½ of the property could be used for this purpose based on known soil conditions
- Leasing opportunities could bring in minimal revenue stream

#### **Affordable Housing or Other Residential Development**

- Could help address our prospective Ch 40B exposure
- Town would control scope and scale of project to fit community needs
- Mix of market rate units could help offset initial acquisition costs and/or other municipal uses on site

#### **Solar**

- Limited solar array is envisioned with limited potential revenue to match
- Power generated could be used to offset municipal energy costs

- Power purchase arrangement with 3<sup>rd</sup> party preferable, with project scale and connection distance being major feasibility considerations

### **Cemetery Expansion**

- Support/interest expressed by Cemetery Commission
- Significant burial capacity currently in place on Iron Rail property with future expansion possible there as well, but demand for Main Street location persists
- Potential for modest expansion that would not require significant capital costs

### **Water Supply**

- \$1+M in initial capital costs to design, engineer, and install new well, pump station, and associated infrastructure
- Does not alleviate current pressure on water usage due to maximum allowable limit under Town's water withdrawal permit
- Would require extensive legal expenses that may not result in any change to existing conditions

It is important to note that this information was gathered within a very brief period of time – less than two weeks in total. However, based on the data that the Committee was able to assemble working within this tight timeframe, their collective opinion was that most, if not all, of these various use options showed enough promise to warrant a more comprehensive review. At this time, they did not feel compelled to eliminate any of these uses out of hand as entirely infeasible.

They also suggested that if the Town were to move forward with the purchase of this property, it would be essential to preserve the scenic vista to the greatest extent possible whatever the agreed upon municipal use was. Further, the Committee discussed the possibility of a hybrid approach whereby a mix of these various uses would be integrated on the property.

Lacking an updated Open Space and Recreation Master Plan to reference and recognizing that it was outside the limits of their scope, the Committee refrained from substantive discussion around identifying priority community needs or other Chapter 61 properties that may become available. However, there was consensus that this kind of strategic planning was essential to help inform future decision making along these lines.

While funding sources (grants, CPC, etc.) were similarly not discussed at length by the Committee, it was noted that, based on advice of our financial consultants, the Town would likely issue a Bond Anticipation Note for up to 5 years to initially cover the capital costs of acquisition. Based on the current \$2.75M valuation and assuming no other one-time funding source, the Town would have relatively minimal, interest-only payments in the first two years of ownership (\$40-55k) before the principal debt obligations would come due (\$160-170k) in Year 3. The Committee felt that this transition time would potentially allow the Town several years to thoroughly vet the potential municipal uses and agree on a comprehensive approach for this property.

## **Lakeview Advisory Committee**

### **Initial Fiscal Assessment of Various Use Scenarios**

Potential Municipal Use:     **Open Space**

#### **What are the projected one-time capital costs necessary to improve the existing conditions for this use?**

The major capital cost would be associated with the purchase of the property by the Town.

There are a number of programs available that might offset some of the acquisition costs such as the The Massachusetts Conservation Partnership Grant Program or the Massachusetts Local Acquisitions for Diversity Program. The Fields Pond Foundation also provides funds for land acquisition for Conservation purposes. These types of programs merit further investigation.

There are also funds available from the Town's Community Preservation Committee. This fund has never been used for open space protection in the Town. This would be an ideal project for the first time use of this fund. It could significantly offset the initial down payment to reduce the yearly expenditure. Additionally, yearly income from this fund could go towards payment of the municipal bond.

Using the approach of a combination of CPA cash on hand and a CPA funded Bond means that voters would be able to decide on an allocation of an existing revenue stream and not on a new tax.

To improve the existing conditions for conservation and passive recreational use the Town could undertake an environmental survey of the property. Designating areas of the property for specific uses and determining how to best protect, enhance and preserve those resources, such as aquifer protection, scenic view sheds, trails, and wildlife habitat would provide long term benefit.

If the Town were to undertake a long range land use plan for this property, there could be associated costs to study & produce a plan. Organizations such as Essex County Greenbelt and Essex County Trail Association could advise in this type of planning, design and implementation. Funding is available for Trail development from the State Division of Conservation and Recreation which offers grants up to \$50,000. The Fields Pond Foundation and REI Foundation also provide funds for projects of this type.

**What are the anticipated ongoing maintenance costs associated with continuing to provide/support this use to acceptable standards?**

Costs to maintain property as open space would mostly result from land maintenance costs. There would be minimal costs associated with mowing approximately once a year to maintain the property as a natural meadow. Introducing some native grasses and clovers would help restore to a more natural state, but continue to keep the open views that residents currently enjoy.

Paths and trails would be mowed slightly more frequently, but likely no more than twice a month during growing season. The wetland areas could be improved with introduction of appropriate native plants but would require minimal future maintenance.

If upland areas were leased to a farmer as a hayfield or other compatible agricultural use, mowing costs would be avoided.

Some design, minor development and mowing costs would occur with development and maintenance of designated paths for walking and cross-country skiing, these projects could be developed with the advice of an organization like the Essex County Trail Association.

The ECTA has a current management plan for existing trails town-wide in Wenham. This plan has been approved by the Wenham Conservation Commission and the State Department of Environmental Protection.

**What, if any, are the projected revenues for this particular use? Are they anticipated to be one-time or recurring?**

Leased to a farmer for a hayfield or other low impact agricultural use, the property could produce yearly revenue.

Most importantly, studies show that property values of homes adjacent to open space and recreation areas are significantly more valuable and the houses more desirable. The formal and permanent protection of open space increases home values and benefits the town in maintaining its character.

## LAKEVIEW ADVISORY COMMITTEE

### **Open Space Review**

The Lakeview Property is significant for a number of environmental, scenic and open space features that contribute to the health and unique character of Wenham. The Town currently has a rare opportunity to actively preserve & protect many of these attributes.

It is significant that this property was designated as "Private Land with Recreational & Open Space Value" on the Town of Wenham Open Space and Recreation Map produced by the Metropolitan Area Planning Council with support of the Bay Circuit Program and Essex Conservation District in 1987. These were areas the Town highlighted as important to consider for future preservation and protection.

### **Open Space Values**

The Lakeview property serves as a beautiful gateway to our community with significant scenic vistas across wetlands, upland fields and hedgerows of mature trees. The landscape is a reminder of the rural quality that is so prized by our residents.

The open, natural qualities of the property serve as a scenic introduction to the special beauty and character of our community. Historically, Town officials and residents have worked hard to preserve the Town's beauty and special character through planning, active protection of important lands, and preservation of historic features. Preservation of this property would continue that effort.

Preservation of the open space and scenic vistas help maintain the historic, village-like character of the Town which is an important quality of life value to residents and serves to protect real estate values.

### **Water Protection & Wetlands**

This property also contains a portion of the Town's Aquifer Protection Overlay District. It preserves and contributes to the Town groundwater & aquifer that recharges the supply of drinking water for the Pleasant Street municipal wells. The protection of aquifer lands has significant health and economic benefits compared to expensive and inferior artificial water treatment.

The wetlands at this site offer important flood protection, protecting existing neighborhood from flooding and associated costs.

The wetland areas provide wildlife habitat, flood storage, recharge groundwater and help clean runoff from roads & developed areas of chemical and other impurities.

The property is a key connector into a larger greenway corridor that includes permanently protected properties such as the Town-owned agricultural land on Larch Row, Conservation Restricted protected lands adjacent, protected Water Supply land along Longham Reservoir and the Town's Iron Rail Property in Wenham Neck. It bridges these

## LAKEVIEW ADVISORY COMMITTEE

properties to the Salem Beverly Water Supply properties across Main Street and northwesterly to the Audubon properties of Cedar Pond and Ipswich River Wildlife Sanctuary.

The wetland that is found on the property borders the Miles River which flows from here through large tracts of regulation-protected wetlands connecting through the Town of Hamilton ultimately to the Ipswich River. This serves as a wildlife corridor and habitat.

### **Passive Recreation**

Especially during the winter months, the property offers opportunities for low-impact recreation. It hosts walkers, cross country skiers and sledding. With acquisition, there would be opportunities for the Town to promote and enhance these uses for residents.

### **Economics**

Many of these attributes of this property are difficult to immediately assign a monetary value, but the future costs of the loss of these assets could significantly impact the character of the Town and the quality of life we enjoy. Many communities watch as these assets erode with subsequent loss of community character and eventual decrease in property values.

Studies show that the property values of homes adjacent to open space and recreation areas are significantly increased, and the homes become more desirable. The formal and permanent protection of open space is reflected by increased home values and benefits the town.

There are a number of programs available that might offset some of the acquisition costs. The Massachusetts Conservation Partnership Grant Program, the Massachusetts Local Acquisitions for Diversity Program and the Fields Pond Foundation could also provide support. These types of programs merit further investigation.

### **Summary**

The aesthetic, recreational and environmental qualities of the Lakeview Property make it a worthwhile investment for the Town to further consider and study. With thoughtful planning, the open space, and other environmental assets of the property could be enhanced and protected while also fulfilling needs for other potential municipal uses.

**Lakeview Advisory Committee  
Golf Course Operation Analysis**

		<b>Assumptions</b>	
<b>Revenue</b>			
Green Fees	\$	230,000.00	Estimated 10,000-12,000 rounds annually @\$20.00
Other Income (Food, Equipment)		50,000.00	Each Patron will spend on average \$5.00 on snacks and equipment
Total Est. Revenue	\$	<b>280,000.00</b>	
<b>Expenses</b>			
Course Maintenance	\$	60,000.00	Sand, fertilizer,
Water		2,500.00	Wells
Electric		6,000.00	
Trash		1,200.00	
Insurance		30,000.00	Mt. Hood- \$35,000
Employees			
General Manager	\$	85,000.00	Estimated compensation: \$65,000-\$80,000
Superintendent		50,000.00	
Part Time (3 PTE's)		14,400.00	8 months per year (40 hours @\$15.00)
Total Expenses	\$	<b>249,100.00</b>	
Estimated NOI	\$	30,900.00	
<b>Start-Up Costs</b>			
Land Acquisition	\$	2,700,000.00	
Maintenance Equipment (used)		60,000.00	Mowers
Purchase white house		600,000.00	Estimated Current Market Value = \$500K - \$600K
Other		2,000.00	ball washers, flags, pins
Pull Carts		6,000.00	30 new @\$200.000 each
Septic		-	
Building Maintenance		-	
	\$	<b>3,368,000.00</b>	



## **Lakeview Advisory Committee**

### **Initial Fiscal Assessment of Various Use Scenarios**

Potential Municipal Use: **Athletic Fields**

**What are the projected one-time capital costs necessary to improve the existing conditions for this use?**

Per Bill Seymour at Gale Assoc., the property could probably support 6 grass fields – 3 acres per field – at \$350,000/field construction cost. This is very preliminary – no site inspection, looking at the topo map on the Town website.

Bruce Doig, Beverly's Director of Parks and Recreation, cited a much lower cost to build a grass field.

Most websites cite a minimum of 2 acres/field, but 3 acres allows for more space between fields, spectator area, team benches, etc.

**What are the anticipated ongoing maintenance costs associated with continuing to provide/support this use to acceptable standards?**

Approximately \$25-30k per field per year according to Gale Assoc, to include:

Mowing

Irrigation

Security

Lining fields

This could be done by DPW or contracted.

The wetland on the 2<sup>nd</sup> fairway is drained to above the 4<sup>th</sup> tee. Could this be diverted to under-field irrigation?

**What, if any, are the projected revenues for this particular use? Are they anticipated to be one-time or recurring?**

Recurring usage fees

Joint Recreation Department charges \$10/participant for field usage

Iron Rail - \$5,000 annual lease to HW Youth Soccer – market rate?

Usage fees on North Shore typically higher than HW – per conversations with North Shore Flag Football and Sean Timmons.

## **Lakeview Advisory Committee**

### **Initial Fiscal Assessment of Various Use Scenarios**

Potential Municipal Use: **Farming**

A New England Food Vision calls for our region to build the capacity to produce at least 50% of clean, fair, just and accessible food for all New Englanders by 2060. — Food Solutions New England (<http://www.foodsolutionsne.org>)

**What are the projected one-time capital costs necessary to improve the existing conditions for this use?**

Crops/Grazing

Most farmland use is continuous. In other words, land used for farming in past is protected for future without change. However, as golf course closings have been increasing, there is evidence of a trend to “upcycle” them into farms. Actually, in most cases—and this would be true in the case of Wenham—they are being returned to their original purpose. In Wenham the area was pastureland and grazing was concurrent with golfing when the courses were first played (Wenham in Pictures and Prose: Wenham Historical Association and Museum, 1992, pp. 26-27).

Case study: Lakeview Golf Course in Cool Ridge, West Virginia. This nine-hole course became Lakeview Farms in 2010. One third of the course was converted at a cost of \$4,000. The business is now more profitable than when it was a golf course.  
([http://www.golfbusiness.com/article.aspx?id=2481&bq=6yfv%5Eg433\\$](http://www.golfbusiness.com/article.aspx?id=2481&bq=6yfv%5Eg433$))

Case Study: Mendon partnered with Massachusetts Division of Fisheries and Wildlife and CPC funds to save an \$800,000 property by making it affordable (\$390,000) to a cattle farmer who owns it as a regular 61A landowner, but the town holds a conservation restriction on the property so that it is preserved in perpetuity.

**What are the anticipated ongoing maintenance costs associated with continuing to provide/support this use to acceptable standards?**

Unknown at this time.

**What, if any, are the projected revenues for this particular use? Are they anticipated to be one-time or recurring?**

Tenant farming returns range from \$100 (hay) to \$200-\$400 (crops) per acre net, based on the experience of the nonprofit Grow Food Northampton. At 121 acres this is the largest community farm in Massachusetts. (<http://www.growfoodnorthampton.com>)

This project was a total of 180 acres; the balance was developed for recreation—sports fields. Collaboration of Massachusetts Department of Agricultural Resources, The Trust for Public Land and City of Northampton.



## **Lakeview Advisory Committee**

### **Initial Fiscal Assessment of Various Use Scenarios**

Potential Municipal Use: **Tree Farm/Forestry**

**What are the projected one-time capital costs necessary to improve the existing conditions for this use?**

Costs if the town were to run a tree farm (not common)

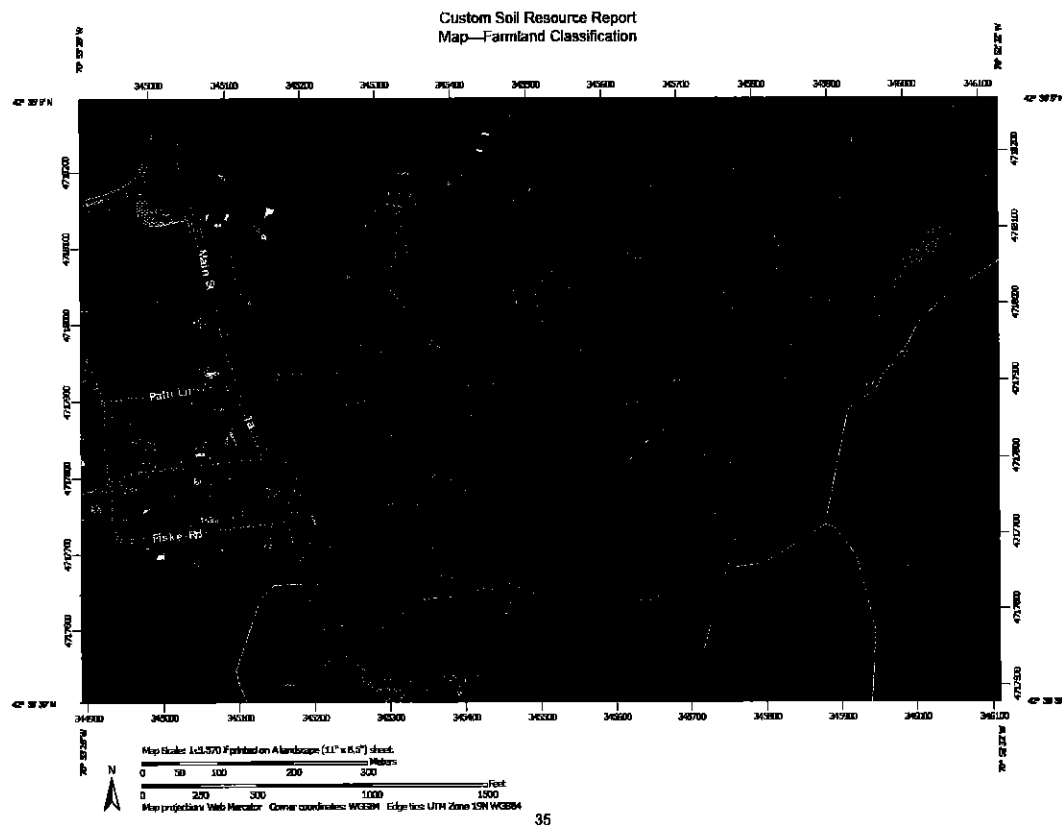
- Reseeding/conditioning the land for planting - **TBD**
- Sufficient infrastructure to support farm (irrigation, parking, equipment storage) - **TBD**
- Planting transplants \$1.50/tree depending expect between 1200-1800 trees per acre
  - $\$1.50/\text{tree} * 1,200 \text{ trees} * 15 \text{ acres (see next page)} = \$27,000$
- Deer control \$1,000/acre \* 15 acres = **\$15,000**

**What are the anticipated ongoing maintenance costs associated with continuing to provide/support this use to acceptable standards?**

- Opportunity costs
  - Potential initial 1-2 year no-plant period to address golf course pesticides
  - Initial 7-9 year tree maturation period (no return)
- Recurring
  - Organic pest maintenance - **TBD**
  - Labor (mowing, pruning, cutting...year round) – average 1.5-2.0 full time = **\$80,000/year**
  - Replanting at \$1.50/tree =  $1/9 * \$27,000 = \$3,000/\text{year}$
  - Other - **TBD**

**What, if any, are the projected revenues for this particular use? Are they anticipated to be one-time or recurring?**

- Recurring - Town Tree sales: 2,000 trees/yr. \* \$40/tree = **\$80,000/year**
- Recurring - Lease or license
  - Lease to farmer (\$100-\$200 per acre/year for good soil\*15 acres = **\$3,000/year**)
- One-time - Options to offset purchase cost -**TBD**
  - Mass APR (may reimburse for delta between fair mkt value and agricultural value)
  - Conservation land trust interest
  - Other



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**Note:** Report covers more acreage than the Golf Course

**Rough** Estimate that 15 acres (Green and Light Blue) could be used for tree farming

**Green:** Prime farmland ... "the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops. They have the soil quality, growing season, and moisture supply needed to produce economically sustained high yields of crops when treated and managed according to acceptable farming methods, including water management."

**Lighter blue:** Farmland of statewide importance.... "Generally, these areas can be used for pasture or for permaculture/perennials."

**Red:** "A no-go for producing most agricultural products given their soil composition and lack of drainage."

## **Lakeview Advisory Committee**

### **Initial Fiscal Assessment of Various Use Scenarios**

Potential Municipal Use: **Affordable Housing**

**What are the projected one-time capital costs necessary to improve the existing conditions for this use?**

The main initial capital cost would be for the purchase of the property. CPA or Affordable Housing Trust funds could be dedicated to this use to lessen the impact of acquisition costs.

The other major outlay would be to create the housing & infrastructure at this site. If the Town chose to resell a dedicated portion of the property, the design & construction costs would be borne by the designated developer.

#### **Two possible scenarios:**

A. Purchase and resale to private developer or organization such as Harborlight Community Partners, with specific parameters for development possibly with a combination of market rate & affordable units to be pre-determined by the Town.

a. The advantages for the Town would be:

1. Number, size of units and placement can be controlled to preserve scenic vistas, open space, and some developable land for other municipal needs.
2. Market rate units could be all or in part dedicated to Senior Housing to offset school cost impacts.
3. Sale of part of land for limited, controlled development can offset initial costs and the impact of Municipal bond would be significantly less on the tax rate.
4. Town benefits by gaining more affordable units with possibility of preference of those units to municipal employees, teachers and residents.
5. Town would anticipate property tax revenue from the Market Rate Units. This income would be greater than what the Town currently receives from the Golf Course
6. The Town anticipates \$50,000 / year from the Harborlight development on 3.5 Acres. The Lakeview property could realize a comparable revenue from a development at this site, especially with a mixture of market rate and affordable units.

7. Town has the opportunity to create a development in keeping with the Village-like character of the neighborhood & retain complete control over the size, location and appearance of the development to compliment the Town's character.

**B. Purchase the property & reserve for future housing & municipal needs**

- a. This scenario would require initial significant bonding of the purchase by the Town, but not require any major capitol expense other than land maintenance costs. The use of a BAN (bond Anticipation Note) would make the first 2 year cost minimal to the town & provide time to development a multi-use plan for this property. This scenario would allow the Town to analyze & address long-term future needs.
- b. It would allow the Town to move quickly to have land available for affordable housing development if other, current projects are unsuccessful, or if a large scale development of a vacant land is proposed, that again makes the Town vulnerable to an unfriendly 40B proposal.
- c. The other favorable advantages listed above would also be possible with this option.

**What are the anticipated ongoing maintenance costs associated with continuing to provide/support this use to acceptable standards?**

Under the **A** scenario the costs of maintenance of the market rate housing would be undertaken by an association set up by the developer, with negotiations resolving municipal services such as trash removal, snow plowing etc. These costs would have to be determined during the development of a proposal.

The costs of using other areas of the property to address additional municipal uses such as playing fields, agriculture will be addressed in other surveys.

The costs of preserving the open space & scenic vistas would mainly accrue from mowing & land maintenance costs. This could be undertaken by the Town DPW. The costs should be minimal if the land is not maintained as a golf facility.

**Under Plan B**

Maintenance costs would be minimal & would mainly accrue from mowing & land maintenance costs.



**What, if any, are the projected revenues for this particular use? Are they anticipated to be one-time or recurring?**

The projected revenues for **Plan A** would be an initial capital revenue from the sale of a portion of a developable area of the property, this would most likely go to defray the original purchase cost & reduce the size of the Bond. The Town could anticipate ongoing property tax revenue from the market rate units.

There would be no projected revenues under **Plan B** until the Town undertook a development at the site, or sold the land or portion of the land at a future date.

## **Lakeview Advisory Committee**

### **Initial Fiscal Assessment of Various Use Scenarios**

Potential Municipal Use: **Solar cell array**

(More commonly referred to as a photovoltaic or PV array) occupying a portion of the 32.4 acre parcel could be situated on the property in such a way as satisfy the multiple planned uses for the property, not the least of which is a consideration for preserving the pastoral view.

The Microgrid will produce electricity entirely from direct solar energy to either 1) power the town hall, fire station, police station, and two traffic signals during the day and night (using storage batteries installed for producing evening power), or 2) the energy could be sold directly back to the local utility provider (National Grid), or both uses simultaneously.

The Microgrid assembly includes a “smart” control system that allows seamless integration with the local utility provider for the dual purposes of 1) drawing makeup electricity from National Grid in the event of a solar production shortfall during peak loads or reduced sunlight conditions and 2) selling excess electricity to National Grid in the event of excess solar electricity production.

Current town expenditures for electricity for the town hall, fire station, police station, and two traffic signals are calculated to be approximately \$41,500 annually, based on 182,482 kWh actual cost and usage during the most recent 12 months ended October, 2016.

#### **What are the projected one-time capital costs necessary to improve the existing conditions for this use?**

At least two capital options: 1) A cash outlay by the town for full development and ownership, or 2) authorize the development and operation by a third party in exchange for a zero cash outlay and an option to purchase (and operate) the Microgrid from the third-party after an initial wait period (years.)

#### **What are the anticipated ongoing maintenance costs associated with continuing to provide/support this use to acceptable standards?**

The anticipated life of the Microgrid is 30 years, and the batteries are 15 years. If the town owns the Microgrid, the approximate annual maintenance cost is \$4,500, which covers the cost of annual performance testing and certification, repairs, new batteries after 15 years, plus the cost of surface cleaning (dusting or washing with water.)

If the town authorizes a third party to develop, own, and operate the project, the net annual maintenance cost would be zero to the town.

**What, if any, are the projected revenues for this particular use? Are they anticipated to be one-time or recurring?**

If the town owns the project, the projected electricity cost savings is anticipated to more than offset the complete cost of construction and maintenance, inclusive of borrowing costs, for the 30 year life of the project. The actual Net Present Value is difficult to evaluate prior to performing a site review to assess construction costs, solar exposure, and a host of other variables.

Aside from the NPV calculation, an immediate value to the town will be the reduced carbon footprint offset by the solar power produced.

A less immediate but very real benefit will be the future potential to incorporate the solar array into a Smart Microgrid to incorporate additional PV and other renewable (wind, biomass) inputs, additional storage capacity, and additional alternative backup generation to power schools and other public facilities, and/or to integrate additional emergency backup power for police, fire, and emergency shelter facilities (the Middle School) in the event of a major utility failure or similar disaster.

Cost projections depicted herein do not include the potential positive offsets of federal and Massachusetts grants and incentives for which this project may qualify, including the Solar Renewable Energy Credits (SRECS) generated under the Massachusetts Green Community Act of 2008. An estimate of likely positive offsets from various incentive programs may be projected after more detailed cost and timeline data has been established.

If the project is developed and operated by a third party, the town can expect a small revenue stream for the 30-year life of the project.

## **Lakeview Advisory Committee**

### **Initial Fiscal Assessment of Various Use Scenarios**

Potential Municipal Use: **Cemetery Expansion**

**What are the projected one-time capital costs necessary to improve the existing conditions for this use?**

Capital costs for cemetery expansion would be directly dependent on the expansion size and location on property. Factors/costs to consider include; need for an additional or expanded paved access road, drainage, design study, perc test. The extension of a water pipe is a convenience and could be done later when the entire system is overhauled. A boundary fence would eventually be desired but is not immediately necessary.

Sheila Bouvier (DPW) and Emilie Cademartori (Conservation Agent) indicate that there are no wetland restrictions by the existing cemetery. According to Gary Cheeseman, Chair of the Wenham Cemetery Commission, the land adjacent to the cemetery is thought to be suitable for cemetery use. John Pew, Burial Agent advised checking with the Salem/Beverly Water Board concerning proximity to Wenham Lake and water table just to be sure regulations have not changed.

Further study could determine the feasibility of expanding the cemetery in such a way as to minimize the length of additional paved roadway. Costs could also be spread out over time as different sections are developed based on lot sales.

**What are the anticipated ongoing maintenance costs associated with continuing to provide/support this use to acceptable standards?**

Perpetual cemetery maintenance should be a break even cost for the town although it is difficult to verify as current costs for cemetery maintenance are not separately quantified.

The DPW provides mowing, routine maintenance, and grave opening/closing services in its role as caretaker of all town properties. However, the revenue from burial fees (see below), currently goes to the town general fund, not DPW. Half of the money taken in from the sale of plots is for "perpetual care". The Sale of Lots Fund routinely has money taken by the town meeting warrant and deposited in the town general fund to ostensibly offset services provided by DPW. Thus, it is difficult to determine exactly what the anticipated maintenance costs would be for a cemetery expansion but given DPW crews would already be at the location, no significant increase would be expected.

**What, if any, are the projected revenues for this particular use? Are they anticipated to be one-time or recurring?**

Current Sale of cemetery plots - \$700 casket (\$350 plot, \$350 perpetual care), \$350 cremation (\$175 plot, \$175 perpetual care)

Current Opening fees: \$600-\$850 casket, \$325 - \$575 cremation (higher costs nights & weekends)

These are one-time costs to purchasers that include perpetual care.

Two modest trust funds provide town with roughly \$6,000 per year for cemetery care.

Gary Cheeseman indicates that one expanded acre at the site can accommodate approximately 400 plots. The Chairmen also indicated that based on phone calls received, there is a greater interest and demand for plots at this Main Street site, than the Iron Rail site. There are currently no plots available at Main Street (except for occasional resale by family no longer wanting/needing it). There are approximately 6-10 plot purchases a year at the less preferred Iron Rail site. It should be noted that there is abundant capacity at the Iron Rail site. The current layout would support an additional 2000 plots. There is land to add 8000 more plots as needed over time. According to Town Burial Agent, John Pews there are approximately 30-40 burials that take place each year in Wenham. In recent years, about 50% are cremations.

The projected revenue from a Main Street cemetery expansion is completely dependent on the scope of the expansion. If only one acre was expanded and 400 plots were sold for \$1,000 each, there is a potential to bring in \$400,000. This is a one-time revenue stream and must be examined in relation to both capital and on-going costs. Given there seems to be a preference for this location over the Iron Rail Cemetery, a hard look should be given at the potential to at least make a slight expansion, perhaps even just around the back and side borders of the current cemetery.

If a small expansion could be accomplished without the need to add additional roadway or incur extensive capital costs, a small one-time revenue gain is possible. Citizens wishing to support the town's purchase of the Lakeview property for open space or other similar use would be able to financially support the effort by their upfront purchase of these burial plots.

The transfer of a small portion of property for cemetery use could start plot sales. A beginning portion could be done without impacting the continued use of the property as a golf course.

## **Lakeview Advisory Committee**

### **Initial Fiscal Assessment of Various Use Scenarios**

Potential Municipal Use: **Supplemental water source**

**What are the projected one-time capital costs necessary to improve the existing conditions for this use?**

\$1,000,000. Estimate to research site for a well, drill the well, Pump, Meter, and equipment to meter chemicals into the resultant water and piping to the water main and connection to the main.

This does not include the legal cost of negotiating with the Department of Environment Protection for approval of a third well and authorization to increase Wenham's permitted water withdrawal. Rough estimate of associated legal expenses with DEP and perhaps Salem Beverly Water Department and Ipswich River Association \$50,000 to \$75,000.

**What are the anticipated ongoing maintenance costs associated with continuing to provide/support this use to acceptable standards?**

Chemicals cost would be nominal.

**What, if any, are the projected revenues for this particular use? Are they anticipated to be one-time or recurring?**

No one time revenue.

The increase of a third well will provide the water need to support the Maplewoods project. 60 one bedroom units at 150 gallons per day times 365 days require 3,285,000 Gallons of water per year.

## Town of Wenham, Massachusetts

### Proposed Land Acquisition BAN Schedules

YEAR	Par Amount	Est. Rate	Est. Interest	Principal Paydown (1)	Total D/S due at Maturity
1	2,057,000	1.50%	30,855.00		30,855.00
2	2,057,000	2.00%	41,140.00		41,140.00
3	2,057,000	2.50%	51,425.00	74,000.00	125,425.00
4	1,983,000	2.75%	54,532.50	74,000.00	128,532.50
5	1,909,000	3.00%	57,270.00	74,000.00	131,270.00
				<b>1,835,000.00</b>	<b>Available to bond at five year BAN Maturity</b>

YEAR	Par Amount	Est. Rate	Est. Interest	Principal Paydown (1)	Total D/S due at Maturity
1	1,711,000	1.50%	25,665.00		25,665.00
2	1,711,000	2.00%	34,220.00		34,220.00
3	1,711,000	2.50%	42,775.00	62,000.00	104,775.00
4	1,649,000	2.75%	45,347.50	62,000.00	107,347.50
5	1,587,000	3.00%	47,610.00	62,000.00	109,610.00
				<b>1,525,000.00</b>	<b>Available to bond at five year BAN Maturity</b>

(1) Paydowns based on 1/28th.

YEAR	Par Amount	Est. Rate	Est. Interest	Principal Paydown (1)	Total D/S due at Maturity
1	2,750,000	1.50%	41,250.00		41,250.00
2	2,750,000	2.00%	55,000.00		55,000.00
3	2,750,000	2.50%	68,750.00	100,000.00	168,750.00
4	2,650,000	2.75%	72,875.00	100,000.00	172,875.00
5	2,550,000	3.00%	76,500.00	100,000.00	176,500.00
				<b>2,450,000.00</b>	<b>Available to bond at five year BAN Maturity</b>

(1) Paydowns based on 1/28th.